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Colorado Contractors Coalition | CCC

ABOVE THE BOTTOM LINE

INTRODUCTION

ABOVE The Bottom Line is a monthly publication of the Colorado Contractors Coalition | CCC. CCC is committed to being a resource to the construction industry and to the Colorado General Assembly on issues, concerns and solutions that impact Colorado Construction. *Above The Bottom Line* focuses on issues unique to the construction business by providing education, information and resources.

CCC was founded in 2016 to influence state and local policy makers to support the improvement and betterment of the construction contractor business community. CCC is the place where contractors, specialty contractors, and associate professionals come together to work on industry issues and concerns. CCC represents 400 companies and 5100 individuals from virtually every specialty construction trade, and manufacturers, material suppliers, distributors, legal, insurance, technology and software, etc. that support them.

PAY IF PAID

by Ross T. Plowman, President, Delta Drywall, Inc.*

“Pay if Paid” clauses in a construction subcontract agreement differ from “Pay when Paid” language; Pay if Paid puts the risk of owner solvency for payment directly on subcontractors. An owner contracts directly with a General Contractor and a Subcontractor contracts directly with the General Contractor. These relationships and agreements dictate contractor’s and owner’s responsibilities. One of the primary responsibilities of the General Contractor is to ensure that subcontractors are compensated for material and properly performed work/labor that the subcontractor finances on construction projects. There are 12 States that have statutorily eliminated pay if paid language in construction contracts: California, Kansas, Illinois, Indiana, Nevada, Montana, North Carolina, South Carolina, New York, Utah, Wisconsin and most recently Virginia. I strongly believe that statutorily prohibiting Pay if Paid language in subcontracts in the State of Colorado would benefit all subcontractors and General Contractors in our industry.



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CONSTRUCTION TERM

Pay if Paid (PIP)

PIP describes a clause in which the upstream contractor (usually the Prime/GC) payment obligation to pay downstream subcontractors' claims are triggered ONLY, if and after, the receipt of payment, in full, from a higher-tiered contractor or Owner, for the lower-tiered subs' work. (American Bar Association)

*DELTA DRY WALL, Inc.

Delta Dry Wall, Inc was incorporated in the State of Colorado in 1969.

Delta Drywall, Inc. employs 30+ individuals and has completed projects to include sporting venues, recreation centers, schools, hospitals, churches etc.



COLORADO CONTRACTORS COALITION

American Subcontractors Association Colorado—www.ASAColorado.com

Established in 1966 represents the business interests of the Colorado Construction Specialty Contractors/Subcontractors. ASAC members represent every specialty trade in the construction industry.

Colorado Roofing Association—www.ColoradoRoofing.org

Established in 1978, the Colorado Roofing Association's goal is to help homeowners and commercial building owners and managers make informed decisions about replacing and maintaining their roof systems.

Rocky Mountain Steel Construction Association—www.RMSCA.org

Established in 1993, RMSCA endeavors to provide education, advocacy and outreach to the membership and Colorado construction community at large .

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A LOOK AT COLORADO CONSTRUCTION—PART I

by Tom Patton, President | Evergreen Surety

The construction industry in Colorado is thriving, with commercial, residential, and infrastructure sectors all experiencing sustained growth. According to the United States Census Bureau, the value of construction put in place in Colorado in 2021 was over \$11.4 billion, a significant increase from the previous year. Further, the total economic impact of the industry was over \$25 billion, which represented 5.8% of the state's GDP.

The residential construction industry has been a driving force behind this growth. In 2021, the number of housing units authorized by building permits in Colorado reached an all-time high, with over 27,000 permits issued. This represents a nearly 10% increase from the previous year and demonstrates the strong demand for new homes in the state.

The commercial construction sector has also been experiencing growth, with several large-scale projects currently underway. One notable example is the continued expansion of Denver International Airport, which will add over 1 million square feet of new space and is expected to create thousands of new jobs. Other major commercial projects include Port Colorado, The National Western Campus, and River North.

On the infrastructure front, the passing of Senate Bill 21-260 was a significant legislative accomplishment (\$5.4 billion over ten years). Coupled with the federal Infrastructure and Investment Jobs Act (\$4.5 billion over five years), Colorado is well-poised to improve upon its C-minus infrastructure rating by the American Society of Civil Engineers.